


Councilmember Kathleen Patterson

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Councilmember Kathleen Patterson introduced the following bill, which was referred to the
Committee on _____.

To enact the Uniform Custodial Trust Act, to provide a simple, inexpensive, and effective
means to senior citizens and other individuals to provide for the management of their
assets in event of future incapacity or for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that
this act may be cited as the "Uniform Custodial Trust Act of 2001".

Sec. 2. Title 19 of the District of Columbia Code is amended:

(1) By amending the table of contents by inserting "13. Uniform Custodial
Trusts Act . . . §§ 19-1301 to 19-1320."; and

(2) By inserting the following new chapter:

"CHAPTER 13. CUSTODIAL TRUSTS; UNIFORM LAW.

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"19-1320. Uniformity of application and construction.	1
"§ 19-1301. Definitions.	2
"In this chapter:	3
"(1) "Adult" means an individual who is at least 18 years of age.	4
"(2) "Beneficiary" means an individual for whom property has been transferred to or	5
held under a declaration of trust by a custodial trustee for the individual's use and benefit under	6
this chapter.	7
"(3) "Conservator" means a person appointed or qualified by a court to manage the	8
estate of an individual or a person legally authorized to perform substantially the same functions.	9
"(4) "Court" means the Superior Court of the District of Columbia.	10
"(5) "Custodial trust property" means an interest in property transferred to or held under	11
a declaration of trust by a custodial trustee under this chapter and the income from and	12
proceeds of that interest.	13
"(6) "Custodial trustee" means a person designated as trustee of a custodial trust under	14
this chapter or a substitute or successor to the person designated.	15
"(7) "Guardian" means a person appointed or qualified by a court as a guardian of an	16
individual, including a limited guardian, but not a person who is only a guardian ad litem.	17
"(8) "Incapacitated" means lacking the ability to manage property and business affairs	18
effectively by reason of mental illness, mental deficiency, physical illness or disability, chronic	19
use of drugs, chronic intoxication, confinement, detention by a foreign power, disappearance,	20
minority, or other disabling cause.	21

"(9) "Legal representative" means a personal representative or conservator.	1
"(10) "Member of the beneficiary's family" means a beneficiary's spouse, descendant,	2
stepchild, parent, stepparent, grandparent, brother, sister, uncle, or aunt, whether of the whole	3
or half blood or by adoption.	4
"(11) "Person" means an individual, corporation, business trust, estate, trust,	5
partnership, joint venture, association, or any other legal or commercial entity.	6
"(12) "Personal representative" means an executor, administrator, or special	7
administrator of a decedent's estate, a person legally authorized to perform substantially the	8
same functions, or a successor to any of them.	9
"(13) "State" means a state, territory, or possession of the United States, the District of	10
Columbia, or the Commonwealth of Puerto Rico.	11
"(14) "Transferor" means a person who creates a custodial trust by transfer or	12
declaration.	13
"(15) "Trust company" means a financial institution, corporation, or other legal entity,	14
authorized to exercise general trust powers.	15
"§ 19-1302. Custodial trust; general.	16
"(a) A person may create a custodial trust of property by a written transfer of the	17
property to another person, evidenced by registration or by other instrument of transfer,	18
executed in any lawful manner, naming as beneficiary, an individual who may be the transferor,	19
in which the transferee is designated, in substance, as custodial trustee under this chapter.	20

"(b) A person may create a custodial trust of property by a written declaration, 1
evidenced by registration of the property or by other instrument of declaration executed in any 2
lawful manner, describing the property and naming as beneficiary an individual other than the 3
declarant, in which the declarant as titleholder is designated, in substance, as custodial trustee 4
under this chapter. A registration or other declaration of trust for the sole benefit of the 5
declarant is not a custodial trust under this chapter. 6

"(c) Title to custodial trust property is in the custodial trustee and the beneficial interest 7
is in the beneficiary. 8

"(d) Except as provided in subsection (e), a transferor may not terminate a custodial 9
trust. 10

"(e) The beneficiary, if not incapacitated, or the conservator of an incapacitated 11
beneficiary, may terminate a custodial trust by delivering to the custodial trustee a writing signed 12
by the beneficiary or conservator declaring the termination. If not previously terminated, the 13
custodial trust terminates on the death of the beneficiary. 14

"(f) Any person may augment existing custodial trust property by the addition of other 15
property pursuant to this chapter. 16

"(g) The transferor may designate, or authorize the designation of, a successor custodial 17
trustee in the trust instrument. 18

"(h) This chapter does not displace or restrict other means of creating trusts. A trust 19
whose terms do not conform to this chapter may be enforceable according to its terms under 20
other law. 21

"§ 19-1303. Custodial trustee for future payment or transfer. 1

"(a) A person having the right to designate the recipient of property payable or 2
transferable upon a future event may create a custodial trust upon the occurrence of the future 3
event by designating in writing the recipient, followed in substance by: "as custodial trustee for 4
_____ (name of beneficiary) under the District of Columbia Uniform Custodial 5
Trust Act." 6

"(b) Persons may be designated as substitute or successor custodial trustees to whom 7
the property must be paid or transferred in the order named if the first designated custodial 8
trustee is unable or unwilling to serve. 9

"(c) A designation under this section may be made in a will, a trust, a deed, a multiple- 10
party account, an insurance policy, an instrument exercising a power of appointment, or a 11
writing designating a beneficiary of contractual rights. Otherwise, to be effective, the 12
designation must be registered with or delivered to the fiduciary, payor, issuer, or obligor of the 13
future right. 14

"§ 19-1304. Form and effect of receipt and acceptance by custodial trustee, jurisdiction. 15

"(a) Obligations of a custodial trustee, including the obligation to follow directions of the 16
beneficiary, arise under this chapter upon the custodial trustee's acceptance, express or implied, 17
of the custodial trust property. 18

"(b) The custodial trustee's acceptance may be evidenced by a writing stating in 19
substance: 20

"CUSTODIAL TRUSTEE'S RECEIPT AND ACCEPTANCE

"I, _____ (name of custodial trustee) acknowledge receipt of the custodial trust property described below or in the attached instrument and accept the custodial trust as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act. I undertake to administer and distribute the custodial trust property pursuant to the District of Columbia Uniform Custodial Trust Act. My obligations as custodial trustee are subject to the directions of the beneficiary unless the beneficiary is designated as, is, or becomes incapacitated. The custodial trust property consists of _____.

"Dated: _____

" _____

"(Signature of Custodial Trustee)

"(c) Upon accepting custodial trust property, a person designated as custodial trustee under this chapter is subject to personal jurisdiction of the court with respect to any matter relating to the custodial trust.

"§ 19-1305. Transfer to custodial trustee by fiduciary or obligor; facility of payment.

"(a) Unless otherwise directed by an instrument designating a custodial trustee pursuant to § 19-1303, a person, including a fiduciary other than a custodial trustee, who holds property of or owes a debt to an incapacitated individual not having a conservator may make a transfer to an adult member of the beneficiary's family or to a trust company as custodial trustee for the

use and benefit of the incapacitated individual. If the value of the property or the debt exceeds \$20,000, the transfer is not effective unless authorized by the court.

"(b) A written acknowledgment of delivery, signed by a custodial trustee, is a sufficient receipt and discharge for property transferred to the custodial trustee pursuant to this section.

"§ 19-1306. Multiple beneficiaries; separate custodial trusts; survivorship.

"(a) Beneficial interests in a custodial trust created for multiple beneficiaries are deemed to be separate custodial trusts of equal undivided interests for each beneficiary. Except in a transfer or declaration for use and benefit of husband and wife, for whom survivorship is presumed, a right of survivorship does not exist unless the instrument creating the custodial trust specifically provides for survivorship.

"(b) Custodial trust property held under this chapter by the same custodial trustee for the use and benefit of the same beneficiary may be administered as a single custodial trust.

"(c) A custodial trustee of custodial trust property held for more than one beneficiary shall separately account to each beneficiary pursuant to §§ 19-1308 and 19-1315 for the administration of the custodial trust.

"§ 19-1307. General duties of custodial trustee.

"(a) If appropriate, a custodial trustee shall register or record the instrument vesting title to custodial trust property.

"(b) If the beneficiary is not incapacitated, a custodial trustee shall follow the directions of the beneficiary in the management, control, investment, or retention of the custodial trust property. In the absence of effective contrary direction by the beneficiary while not

incapacitated, the custodial trustee shall observe the standard of care that would be observed
by a prudent person dealing with property of another and is not limited by any other law
restricting investments by fiduciaries. However, a custodial trustee, in the custodial trustee's
discretion, may retain any custodial trust property received from the transferor. If a custodial
trustee has a special skill or expertise or is named custodial trustee on the basis of
representation of a special skill or expertise, the custodial trustee shall use that skill or expertise.

"(c) Subject to subsection (b), a custodial trustee shall take control of and collect, hold,
manage, invest, and reinvest custodial trust property.

"(d) A custodial trustee at all times shall keep custodial trust property of which the
custodial trustee has control, separate from all other property in a manner sufficient to identify it
clearly as custodial trust property of the beneficiary. Custodial trust property, the title to which
is subject to recordation, is so identified if an appropriate instrument so identifying the property
is recorded, and custodial trust property subject to registration is so identified if it is registered,
or held in an account in the name of the custodial trustee, designated in substance: "as custodial
trustee for _____ (name of beneficiary) under the District of Columbia Uniform
Custodial Trust Act."

"(e) A custodial trustee shall keep records of all transactions with respect to custodial
trust property, including information necessary for the preparation of tax returns, and shall make
the records and information available at reasonable times to the beneficiary or legal
representative of the beneficiary.

"(f) The exercise of a durable power of attorney for an incapacitated beneficiary is not effective to terminate or direct the administration or distribution of a custodial trust.

"§ 19-1308. General powers of custodial trustee.

"(a) A custodial trustee, acting in a fiduciary capacity, has all the rights and powers over custodial trust property which an unmarried adult owner has over individually owned property, but a custodial trustee may exercise those rights and powers in a fiduciary capacity only.

"(b) This section does not relieve a custodial trustee from liability for a violation of § 19-1307.

"§ 19-1309. Use of custodial trust property.

"(a) A custodial trustee shall pay to the beneficiary or expend for the beneficiary's use and benefit so much or all of the custodial trust property as the beneficiary while not incapacitated may direct from time to time.

"(b) If the beneficiary is incapacitated, the custodial trustee shall expend so much or all of the custodial trust property as the custodial trustee considers advisable for the use and benefit of the beneficiary and individuals who were supported by the beneficiary when the beneficiary became incapacitated, or who are legally entitled to support by the beneficiary. Expenditures may be made in the manner, when, and to the extent that the custodial trustee determines suitable and proper, without court order and without regard to other support, income, or property of the beneficiary.

"(c) A custodial trustee may establish checking, savings, or other similar accounts of reasonable amounts under which either the custodial trustee or the beneficiary may withdraw

funds from, or draw checks against, the accounts. Funds withdrawn from, or checks written
against, the account by the beneficiary are distributions of custodial trust property by the
custodial trustee to the beneficiary.

"§ 19-1310. Determination of incapacity; effect.

"(a) The custodial trustee shall administer the custodial trust as for an incapacitated
beneficiary if:

"(1) the custodial trust was created under § 19-1305;

"(2) the transferor has so directed in the instrument creating the custodial trust;

or

"(3) the custodial trustee has determined that the beneficiary is incapacitated.

"(b) A custodial trustee may determine that the beneficiary is incapacitated in reliance
upon:

"(1) previous direction or authority given by the beneficiary while not
incapacitated, including direction or authority pursuant to a durable power of attorney;

"(2) the certificate of the beneficiary's physician;

"(3) other persuasive evidence.

"(c) If a custodial trustee for an incapacitated beneficiary reasonably concludes that the
beneficiary's incapacity has ceased, or that circumstances concerning the beneficiary's ability to
manage property and business affairs have changed since the creation of a custodial trust
directing administration as for an incapacitated beneficiary, the custodial trustee may administer
the trust as for a beneficiary who is not incapacitated.

"(d) On petition of the beneficiary, the custodial trustee, or other person interested in the custodial trust property or the welfare of the beneficiary, the court shall determine whether the beneficiary is incapacitated.

"(e) Absent determination of incapacity of the beneficiary under subsection (b) or (d), a custodial trustee who has reason to believe that the beneficiary is incapacitated shall administer the custodial trust in accordance with the provisions of this chapter applicable to an incapacitated beneficiary.

"(f) Incapacity of a beneficiary does not terminate the custodial trust, any designation of a successor custodial trustee, rights or powers of the custodial trustee, or any immunities of third persons acting on instructions of the custodial trustee.

"§ 19-1311. Exemption of third person from liability.

"A third person in good faith and without a court order may act on instructions of, or otherwise deal with, a person purporting to make a transfer as, or purporting to act in the capacity of, a custodial trustee. In the absence of knowledge to the contrary, the third person is not responsible for determining:

"(1) the validity of the purported custodial trustee's designation;

"(2) the propriety of, or the authority under this chapter for, any action of the purported custodial trustee;

"(3) the validity or propriety of an instrument executed or instruction given pursuant to this chapter either by the person purporting to make a transfer or declaration or by the purported custodial trustee; or

"(4) the propriety of the application of property vested in the purported custodial trustee. 1
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"§ 19-1312. Liability to third person. 3

"(a) A claim based on a contract entered into by a custodial trustee acting in a fiduciary capacity, an obligation arising from the ownership or control of custodial trust property, or a tort committed in the course of administering the custodial trust, may be asserted by a third person against the custodial trust property by proceeding against the custodial trustee in a fiduciary capacity, whether or not the custodial trustee or the beneficiary is personally liable. 4
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"(b) A custodial trustee is not personally liable to a third person: 9

"(1) on a contract properly entered into in a fiduciary capacity unless the custodial trustee fails to reveal that capacity or to identify the custodial trust in the contract; or 10
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"(2) for an obligation arising from control of custodial trust property or for a tort committed in the course of the administration of the custodial trust unless the custodial trustee is personally at fault. 12
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"(c) A beneficiary is not personally liable to a third person for an obligation arising from beneficial ownership of custodial trust property or for a tort committed in the course of administration of the custodial trust unless the beneficiary is personally in possession of the custodial trust property giving rise to the liability or is personally at fault. 15
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"(d) Subsections (b) and (c) do not preclude actions or proceedings to establish liability of the custodial trustee or beneficiary to the extent the person sued is protected as the insured by liability insurance. 19
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"§ 19-1313. Declination, resignation, incapacity, death, or removal of custodial trustee, 1
designation of successor custodial trustee. 2

"(a) Before accepting the custodial trust property, a person designated as custodial 3
trustee may decline to serve by notifying the person who made the designation, the transferor, 4
or the transferor's legal representative. If an event giving rise to a transfer has not occurred, the 5
substitute custodial trustee designated under § 19-1303 becomes the custodial trustee, or, if a 6
substitute custodial trustee has not been designated, the person who made the designation may 7
designate a substitute custodial trustee pursuant to § 19-1303. In other cases, the transferor or 8
the transferor's legal representative may designate a substitute custodial trustee. 9

"(b) A custodial trustee who has accepted the custodial trust property may resign by: 10

"(1) delivering written notice to a successor custodial trustee, if any, the 11
beneficiary and, if the beneficiary is incapacitated, to the beneficiary's conservator, if any; and 12

"(2) transferring or registering, or recording an appropriate instrument relating 13
to, the custodial trust property, in the name of, and delivering the records to, the successor 14
custodial trustee identified under subsection (c). 15

"(c) If a custodial trustee or successor custodial trustee is ineligible, resigns, dies, or 16
becomes incapacitated, the successor designated under § 19-1302(g) or 19-1303 becomes 17
custodial trustee. If there is no effective provision for a successor, the beneficiary, if not 18
incapacitated, may designate a successor custodial trustee. If the beneficiary is incapacitated, 19
or fails to act within 90 days after the ineligibility, resignation, death, or incapacity of the 20
custodial trustee, the beneficiary's conservator becomes successor custodial trustee. If the 21

beneficiary does not have a conservator or the conservator fails to act, the resigning custodial trustee may designate a successor custodial trustee.

"(d) If a successor custodial trustee is not designated pursuant to subsection (c), the transferor, the legal representative of the transferor or of the custodial trustee, an adult member of the beneficiary's family, the guardian of the beneficiary, a person interested in the custodial trust property, or a person interested in the welfare of the beneficiary, may petition the court to designate a successor custodial trustee.

"(e) A custodial trustee who declines to serve or resigns, or the legal representative of a deceased or incapacitated custodial trustee, as soon as practicable, shall put the custodial trust property and records in the possession and control of the successor custodial trustee. The successor custodial trustee may enforce the obligation to deliver custodial trust property and records and becomes responsible for each item as received.

"(f) A beneficiary, the beneficiary's conservator, an adult member of the beneficiary's family, a guardian of the person of the beneficiary, a person interested in the custodial trust property, or a person interested in the welfare of the beneficiary, may petition the court to remove the custodial trustee for cause and designate a successor custodial trustee, to require the custodial trustee to furnish a bond or other security for the faithful performance of fiduciary duties, or for other appropriate relief.

"§ 19-1314. Expenses, compensation, and bond of custodial trustee.

"Except as otherwise provided in the instrument creating the custodial trust, in an agreement with the beneficiary, or by court order, a custodial trustee:

"(1) is entitled to reimbursement from custodial trust property for reasonable expenses incurred in the performance of fiduciary services;

"(2) has a noncumulative election, to be made no later than 6 months after the end of each calendar year, to charge a reasonable compensation for fiduciary services performed during that year; and

"(3) need not furnish a bond or other security for the faithful performance of fiduciary duties.

"§ 19-1315. Reporting and accounting by custodial trustee; determination of liability of custodial trustee.

"(a) Upon the acceptance of custodial trust property, the custodial trustee shall provide a written statement describing the custodial trust property and shall thereafter provide a written statement of the administration of the custodial trust property once each year, upon request at reasonable times by the beneficiary or the beneficiary's legal representative, upon resignation or removal of the custodial trustee, and upon termination of the custodial trust. The statements must be provided to the beneficiary or to the beneficiary's legal representative, if any. Upon termination of the beneficiary's interest, the custodial trustee shall furnish a current statement to the person to whom the custodial trust property is to be delivered.

"(b) A beneficiary, the beneficiary's legal representative, an adult member of the beneficiary's family, a person interested in the custodial trust property, or a person interested in the welfare of the beneficiary may petition the court for an accounting by the custodial trustee or the custodial trustee's legal representative.

"(c) A successor custodial trustee may petition the court for an accounting by a
predecessor custodial trustee.

"(d) In an action or proceeding under this chapter or in any other proceeding, the court
may require or permit the custodial trustee or the custodial trustee's legal representative to
account. The custodial trustee or the custodial trustee's legal representative may petition the
court for approval of final accounts.

"(e) If a custodial trustee is removed, the court shall require an accounting and order
delivery of the custodial trust property and records to the successor custodial trustee and the
execution of all instruments required for transfer of the custodial trust property.

"(f) On petition of the custodial trustee or any person who could petition for an
accounting, the court, after notice to interested persons, may issue instructions to the custodial
trustee or review the propriety of the acts of a custodial trustee or the reasonableness of
compensation determined by the custodial trustee for the services of the custodial trustee or
others.

"§ 19-1316. Limitations of action against custodial trustee.

"(a) Except as provided in subsection (c), unless previously barred by adjudication,
consent, or limitation, a claim for relief against a custodial trustee for accounting or breach of
duty is barred as to a beneficiary, a person to whom custodial trust property is to be paid or
delivered, or the legal representative of an incapacitated or deceased beneficiary or payee:

"(1) who has received a final account or statement fully disclosing the matter
unless an action or proceeding to assert the claim is commenced within 2 years after receipt of
the final account or statement; or

"(2) who has not received a final account or statement fully disclosing the matter
unless an action or proceeding to assert the claim is commenced within 3 years after the
termination of the custodial trust.

"(b) Except as provided in subsection (c), a claim for relief to recover from a custodial
trustee for fraud, misrepresentation, or concealment related to the final settlement of the
custodial trust or concealment of the existence of the custodial trust, is barred unless an action
or proceeding to assert the claim is commenced within 5 years after the termination of the
custodial trust.

"(c) A claim for relief is not barred by this section if the claimant:

"(1) is a minor, until the earlier of 2 years after the claimant becomes an adult or
dies;

"(2) is an incapacitated adult, until the earliest of 2 years after the appointment
of a conservator, the removal of the incapacity, or the death of the claimant; or

"(3) was an adult, now deceased, who was not incapacitated, until 2 years after
the claimant's death.

"§ 19-1317. Distribution on termination.

"(a) Upon termination of a custodial trust, the custodial trustee shall transfer the
unexpended custodial trust property:

"(1) to the beneficiary, if not incapacitated or deceased; 1

"(2) to the conservator or other recipient designated by the court for an 2
incapacitated beneficiary; or 3

"(3) upon the beneficiary's death, in the following order: 4

"(A) as last directed in a writing signed by the deceased beneficiary 5
while not incapacitated and received by the custodial trustee during the life of the deceased 6
beneficiary; 7

"(B) to the survivor of multiple beneficiaries if survivorship is provided 8
for pursuant to § 19-1306; 9

"(C) as designated in the instrument creating the custodial trust; or 10

"(D) to the estate of the deceased beneficiary. 11

"(b) If, when the custodial trust would otherwise terminate, the distributee is 12
incapacitated, the custodial trust continues for the use and benefit of the distributee as 13
beneficiary until the incapacity is removed or the custodial trust is otherwise terminated. 14

"(c) Death of a beneficiary does not terminate the power of the custodial trustee to 15
discharge obligations of the custodial trustee or beneficiary incurred before the termination of 16
the custodial trust. 17

"§ 19-1318. Methods and forms for creating custodial trusts. 18

"(a) If a transaction, including a declaration with respect to or a transfer of specific 19
property, otherwise satisfies applicable law, the criteria of § 19-1302 are satisfied by: 20

"(1) the execution and either delivery to the custodial trustee or recording of an instrument in substantially the following form:

"TRANSFER UNDER THE DISTRICT OF COLUMBIA

"UNIFORM CUSTODIAL TRUST ACT

"I, _____ (name of transferor or name and representative capacity if a fiduciary), transfer to _____ (name of trustee other than transferor), as custodial trustee for _____ (name of beneficiary) as beneficiary and _____ as distributee on termination of the trust in absence of direction by the beneficiary under the District of Columbia Uniform Custodial Trust Act, the following: (insert a description of the custodial trust property legally sufficient to identify and transfer each item of property).

"Dated: _____

" _____

"(Signature); or

"(2) the execution and the recording or giving notice of its execution to the beneficiary of an instrument in substantially the following form:

"DECLARATION OF TRUST UNDER THE DISTRICT OF COLUMBIA

"UNIFORM CUSTODIAL TRUST ACT

"I, _____ (name of owner of property), declare that henceforth I hold as custodial trustee for _____ (name of beneficiary other than transferor) as beneficiary and _____ as distributee on termination of the trust in absence of direction by the beneficiary under the District of Columbia Uniform Custodial Trust Act, the

following: (Insert a description of the custodial trust property legally sufficient to identify and transfer each item of property).

"Dated: _____

" _____

"(Signature)

"(b) Customary methods of transferring or evidencing ownership of property may be used to create a custodial trust, including any of the following:

"(1) registration of a security in the name of a trust company, an adult other than the transferor, or the transferor if the beneficiary is other than the transferor, designated in substance "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(2) delivery of a certificated security, or a document necessary for the transfer of an uncertificated security, together with any necessary endorsement, to an adult other than the transferor or to a trust company as custodial trustee, accompanied by an instrument in substantially the form prescribed in subsection (a)(1);

"(3) payment of money or transfer of a security held in the name of a broker or a financial institution or its nominee to a broker or financial institution for credit to an account in the name of a trust company, an adult other than the transferor, or the transferor if the beneficiary is other than the transferor, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(4) registration of ownership of a life or endowment insurance policy or annuity contract with the issuer in the name of a trust company, an adult other than the transferor, or the transferor if the beneficiary is other than the transferor, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(5) delivery of a written assignment to an adult other than the transferor or to a trust company whose name in the assignment is designated in substance by the words: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(6) irrevocable exercise of a power of appointment, pursuant to its terms, in favor of a trust company, an adult other than the donee of the power, or the donee who holds the power if the beneficiary is other than the donee, whose name in the appointment is designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(7) delivery of a written notification or assignment of a right to future payment under a contract to an obligor which transfers the right under the contract to a trust company, an adult other than the transferor, or the transferor if the beneficiary is other than the transferor, whose name in the notification or assignment is designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(8) execution, delivery, and recordation of a conveyance of an interest in real property in the name of a trust company, an adult other than the transferor, or the transferor if the beneficiary is other than the transferor, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act";

"(9) issuance of a certificate of title by an agency of a state or of the United States which evidences title to tangible personal property:

"(A) issued in the name of a trust company, an adult other than the transferor, or the transferor if the beneficiary is other than the transferor, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act"; or

"(B) delivered to a trust company or an adult other than the transferor or endorsed by the transferor to that person, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act"; or

"(10) execution and delivery of an instrument of gift to a trust company or an adult other than the transferor, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the District of Columbia Uniform Custodial Trust Act."

"§ 19-1319. Applicable law.

"(a) This chapter applies to a transfer or declaration creating a custodial trust that refers to this chapter if, at the time of the transfer or declaration, the transferor, beneficiary, or custodial trustee is a resident of or has its principal place of business in the District of Columbia or custodial trust property is located in the District of Columbia. The custodial trust remains subject to this chapter despite a later change in residence or principal place of business of the transferor, beneficiary, or custodial trustee, or removal of the custodial trust property from the District of Columbia.

"(b) A transfer made pursuant to an act of another state substantially similar to this chapter is governed by the law of that state and may be enforced in the District of Columbia.

"§ 19-1319. Application and construction.

"This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it."

Sec. 3. Fiscal impact.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

Sec. 4. Effective date.

This act shall take effect after approval by the Mayor (or in the event of a veto by the Mayor, override of the veto by the Council), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995

(109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as 1
provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 2
24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia 3
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